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Friday, November 7, 2008

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Indiana boy latest Nebraska safe-haven case

November 6, 2008 05:19 PM EST | 

Huffington Post

<http://www.huffingtonpost.com/huff-wires/20081106/ne-safe-haven/>

LINCOLN, Neb. — An 8-year-old Indiana boy was left Thursday at an Omaha hospital, bringing to 28 the number of children left under Nebraska's unique safe-haven law.

Todd Landry with the Department of Health and Human Services Division of Children and Family Services said the boy was left late Thursday morning at Bergan Mercy Hospital. The department was still gathering information on the case and offered no other details immediately.

The boy is the fourth from out of state.

Children from Iowa, Georgia and Michigan have been among the children left at hospitals under the Nebraska law. They have since have been returned to their home states.

Nebraska's law says anyone can leave a child at a hospital without fear of prosecution for the abandonment. The law uses the word "child" and doesn't include any age limit.

Gov. Dave Heineman has called a rare special session of the Legislature to fix the law, which was intended to protect unwanted newborns. The special session begins Nov. 14.

Nebraska was the last state to enact a safe-haven law. It took effect in July.

Some have interpreted the law to mean that children as old as 18 could be abandoned. Others have taken the common-law definition of "child," which includes those under age 14.

Health and Human Services officials, however, say that another state law pertaining to juveniles will not let authorities take in children older than 17.



MICHIGAN REPORT

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GRANHOLM SAYS E.O. CUTS COMING

Saying it was clear that the national economic situation would hurt state revenues, [Governor Jennifer Granholm](#) said in a Thursday press conference that she would issue an executive order cutting the 2008-09 budget this year. Ms. Granholm said she did not know how much the executive order cuts would total, but sources said the administration is estimating cuts will total between \$300 million and \$600 million.

The decision on the amount of the cut will be decided after the University of Michigan's Research Seminar in Quantitative Economics is held later this month, Ms. Granholm said.

Cuts to the current budget had been expected, and administration officials had recently said that discussions with department directors over preparing for potential cuts had been growing more intense.

"It's very clear we will have a very challenging year ahead of us," Ms. Granholm said at a press conference on Thursday.

The stock market collapse and the resulting decline in consumer confidence has helped drive automotive sales lower. General Motors and Chrysler have been in discussions on a merger, which could result in at least one healthy automotive company but clearly mean a drop in jobs in the state. If a merger does not happen and one or more of the auto companies declares bankruptcy, the picture for the state will become even gloomier.

One state economist said that while "we don't have a forecast, yet we at least know which direction the state is going in: down."

In an interview last week, Mitch Bean, executive director of the House Fiscal Agency, said the state could see unemployment spike over 10 percent, a figure it has not seen since the early 1990s.

Even in that, Ms. Granholm said there is another uncertainty that the state will have to consider and that is how much Congress may allocate to the states as part of an economic stimulus package. Since the states are all facing potential budget crises they have asked for assistance in dealing with such issues as Medicaid, she said.

Congress is looking at a stimulus package, although there is discussion of doing a smaller package this year and then a second, larger, package once President-elect Barack Obama is sworn into office in January.

Until those factors, the RSQE conference and the stimulus package, are resolved the state will not know how much to cut, Ms. Granholm said.

Once an executive order cutting the budget is issued it has to be approved or rejected by the two legislative appropriations committees.

Another uncertainty is determining how much the state might have to cut is how much the state might realize in a revenue carry-forward from the 2007-08 fiscal year. Officials are expecting a larger carry-forward than previously anticipated because revenues were above forecasts.

October revenues, which accrue to the 2007-08 fiscal year and have not yet been reported, appear to have come in slightly above forecasts, sources said. That should help offset some level of cuts.

Even so, sources said administration officials are using cuts of between \$300 million and \$600 million as a working estimate. Timing will affect that number, as will ongoing factors in the economy. "If GM declares bankruptcy that number will change real fast," a source said.

Also not known at this point, sources said, is how the cuts will be allocated between departments, school aid and colleges and universities.

Associated Press

Mich. gov expects budget cuts, wants federal help

By DAVID EGGERT 11.06.08, 5:34 PM ET

LANSING, Mich. -

Michigan Gov. Jennifer Granholm on Thursday braced for budget cuts and said government must act urgently to help domestic automakers and people hit hardest by the economic downturn, including homeowners on the brink of foreclosure.

She called on the Legislature to pass new bills during the lame-duck session letting state regulators freeze foreclosure proceedings for up to 90 days so the homeowner and lender can work out a payment plan.

The measure would affect residential loans and could lay the groundwork for further state action once federal officials decide how the \$700 billion financial bailout should help homeowners having trouble paying their mortgage.

"Bottom line is we want to be in the position to be able to keep people in their homes," the Democratic governor told reporters.

Pointing to souring consumer confidence and shrinking auto sales, Granholm said she will issue an executive order to cut state spending an unspecified amount by year's end. She will wait to first get new economic forecasts later this month. It was unclear if state cuts will affect K-12 public schools.

"It's going to be a very, very challenging period," Granholm said.

She said cuts could be mitigated if Congress and President Bush pass an economic stimulus package that helps states more with Medicaid costs. Granholm sent a letter to Democratic congressional leaders Thursday asking for federal funding for infrastructure improvements and Medicaid; extended unemployment benefits and food stamps; and help for homeowners and auto industry.

Auto and union leaders were on Capitol Hill Thursday to discuss billions of dollars more in financial help for Ford, GM and Chrysler.

Granholm said the state treasurer will set aside \$150 million that local banks and credit unions can lend to small businesses during the credit crisis. The state will purchase certificates of deposit at participating banks and credit unions that commit to lending at least 80 percent of the money to Michigan businesses.

Besides the foreclosure legislation, Granholm's other top lame-duck bills include expanding Detroit's Cobo Center, planning a light-rail line in Detroit and authorizing public-private partnerships, or "Promise Zones," to provide college tuition for students in impoverished areas. Granholm said she is open to action this year on controversial bills governing the health insurance market for individuals. Blue Cross Blue Shield of Michigan, the state's largest health insurer, wants a deal soon, but its rivals oppose the measure.

Granholm did not entirely rule out cutting the Michigan Business Tax in tandem with cuts in prison spending during lame duck, a demand by some business groups. But it seems doubtful because she also said it will not be until early next year that her administration and lawmakers finish talking with the Council of State Governments to find ways to trim corrections costs.

"If there are pieces that we can work out in lame duck, I'd be certainly eager to do that. But I also recognize that we want to respect a process we set up," Granholm said.



Friday, November 7, 2008

Granholm to slash budget as economy worsens

School funding, other programs may face cuts; governor presses for freeze on foreclosures.

Mark Hornbeck / Detroit News Lansing Bureau

LANSING -- Michigan's deepening economic crisis will force Gov. Jennifer Granholm to order budget cuts by year's end that could be in the hundreds of millions of dollars and impact spending across state government, possibly including aid to public schools.

Granholm also asked lawmakers Thursday to pass legislation giving authority to state financial regulators to put a 90-day freeze on foreclosures, and she directed the state treasurer to make \$150 million available during the credit crunch to help small businesses meet payroll and to help get loans to citizens who want to buy large items, such as automobiles.

The governor announced she will make executive-order cuts, probably in December, but won't have details on programs affected or the amount to be slashed until the University of Michigan makes its state and national economic forecasts on Nov. 20-21.

"We know we have to cut; we don't know how much we're going to have to cut," Granholm said during a news conference.

Asked about the possibility of school-aid reductions, she said: "Nobody wants to cut school funding in the middle of the year," but added she'd wait for the U-M forecast before making a decision.

Senate Majority Leader Mike Bishop, R-Rochester, agreed cuts must be made.

"It's a reality. Our fortunes have changed the last four or five months and it requires we step back in and reposition ourselves," he said. "We have to put together cuts based on priorities."

House and Senate fiscal analysts report the state budget for the fiscal year that started Oct. 1 is probably \$300 million to \$900 million out of whack, because of the global financial collapse, the foundering auto industry and the overall languishing economy.

"We could be looking at job loss numbers in 2009 that are similar to numbers during the recession in the early '80s," said Gary Olson, director of the Senate Fiscal Agency. He said the state has lost 1.5 percent of its jobs in each of the last few years, and the decline could be in the 3 percent to 5 percent range next year.

But how much actually needs to be axed from the state budget depends on the economic forecast and the amount of Medicaid relief available in a federal stimulus package being debated in Washington, as well as the size of the carryover from last year's budget.

Mitch Bean, director of the House Fiscal Agency, said the state could get \$300 million more for the Medicaid health care program for the poor and disabled. Olson said the figure could be as high as \$600 million. That federal aid would allow the state to shift money from Medicaid to pay for other programs and services.

"They're selling this as a way to help states balance their budgets ... not as a way to expand Medicaid programs," Olson said.

Olson and Bean said the state's surplus from the fiscal year that ended Sept. 30 is likely to be \$200 million to \$250 million.

"The amount of any reduction in state revenue above that, we just don't know yet," Bean said.

Since 2002, the state has severed some \$3 billion from the budget, affecting a long list of spending, including especially deep cuts in funding for colleges and universities and aid that communities use for police and fire protection, road repair and garbage pickup. While they were cutting, Granholm and lawmakers raised taxes \$1.4 billion in 2007 to help balance the budget.

There also have been a couple of mid-year reductions in public school aid. Olson said the school aid pot is \$150 million to \$300 million short. A cut of \$100 per student saves the state about \$160 million. The state provides a minimum of \$7,204 per student. A reduction of \$100 per pupil would cost a large district like Detroit Public Schools about \$9 million to \$10 million.

"School aid depends on sales tax. And retail sales looking ahead through the Christmas season are not expected to be good," Bean said.

If cuts come, many school districts are likely to dip into their savings. Bob Cipriano, director of business services for Dearborn Public Schools, said his district would do everything in its power to keep from cutting teachers or programs now.

"It's very difficult to change anything in the middle of a school year, and we'll avoid that at all costs," Cipriano said. "We would need to utilize any fund balance and make plans for those reductions in the following year."

He said the Dearborn district, which has an annual budget of \$200 million, has just \$5.7 million left in fund equity -- less than the 10 percent to 15 percent of annual budget experts recommend that districts keep in the bank.

"We'd prefer not to use our fund balance, but that at least gives us time to plan -- and we would expect the same from the state," Cipriano added. "Don't give us a mid-year cut; tell us we're getting a cut the following year so we can plan appropriately."

As part of her financial distress relief package, Granholm also said Thursday she will:

- Ask the Legislature to approve a bill authorizing state banking and insurance regulators to call for a 90-day freeze on foreclosure proceedings to allow homeowners and lenders to work out new payment plans. Chances of passage are uncertain.
- Direct state Treasurer Bob Kleine to make \$150 million available to state banks and credit unions for small businesses struggling to meet payroll and citizens wanting to make large purchases like automobiles. The money comes from cash dedicated to future spending for school aid, revenue sharing, or other accounts. Treasury sometimes invests the cash while holding it. Granholm's aides said she can accomplish this without legislative approval.

- Urge state lawmakers to pass so-called "promise zone" legislation that would allow communities in high-unemployment areas to offer free college tuition.
- Seek quick resolution in the Legislature on Cobo Center expansion and a light rail system along the Woodward corridor in Detroit to spur economic development and construction jobs.

Senate Majority Leader Bishop isn't surprised by Granholm's priorities for the Legislature's nine remaining days in session this year.

"I recognize the importance of Cobo and the light rail is a great public-private opportunity. But I have to say what we need to do is identify a few things we can do and do them, instead of throwing a bunch of things on the table."

Staff Writer Karen Bouffard contributed to this report.

Find this article at:

<http://www.detnews.com/apps/pbcs.dll/article?AID=/20081107/POLITICS/811070414>

☐ Check the box to include the list of links referenced in the article.

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Calls for more federal help for auto makers



By Gabe Gutierrez

LANSING (WJRT) -- (11/06/08) -- Governor Jennifer Granholm is warning Michigan residents of a "challenging" year ahead.

The governor is asking both national and local lawmakers for help.

She laid out her priorities at a news conference this morning

This morning Governor Granholm sent a letter to the Democratic leadership in Congress. In it, she urged Washington to help the auto industry.



"We know that the auto industry needs a bridge between now and the time this fiscal crisis is resolved nationally in order to be able to survive. This is a critical, urgent issue," the governor said this morning.

Granholm says the auto industry needs at least another \$25 billion in federal assistance. That's on top of the \$25 billion already approved by Congress.

The letter is addressed to U.S. House Speaker Nancy Pelosi and Senate Majority Leader Harry Reid.

In it, Granholm also asks for another stimulus package. She says it will help 80,000 Michigan homeowners avoid foreclosure and will extend unemployment benefits.

The letter was part of a long list of proposals she outlined this morning.

In response to the credit crisis, the governor says the state Treasury Department will give \$150 million to state banks and credit unions so they can give loans.

State Senator Valde Garcia represents Shiawassee and Livingston counties. He is one of many Republicans today who are questioning the governor's ability to pay for her proposals.

"I'm not sure where we're going to get that money. Maybe the governor has some money that we're not aware of, or she's going to shift funds from other sources," Garcia said.

The governor expects to order spending cuts in the current state budget by the end of the year, but first she's waiting to get economic forecasts from the University of Michigan later this month.

"I'm not an economist, but I can tell you from the economists that have looked at this, is that you need to stimulate growth," Granholm said.

"If GM doesn't survive, we will have a huge problem in Genesee County," noted Sen. Deb Cherry (D) Genesee County.

Like fellow Republican Rep. Garcia, outgoing 51st District Rep. Dave Robertson wonders about the money. "Where does the money come from? We have a budget to balance. Estimations are that when we have the next revenue estimating conference right after the first of the year that there could be \$300-500 million hole in our budget."

See video at <http://abclocal.go.com/wjrt/story?section=news/local&id=6492369>



November 6, 2008

Granholtz pleads for auto, Michigan infrastructure aid

Her aim: Saving industry, creating jobs

By *CHRIS CHRISTOFF*
FREE PRESS LANSING BUREAU

LANSING – Gov. Jennifer Granholm issued an urgent plea today to Democratic leaders of Congress to approve emergency aid for the ailing U.S. auto industry, and for \$260 million to build new roads, sewers and other infrastructure in Michigan that she said would create more than 4,000 jobs.

Granholm also said the state treasury department will give \$150 million in cash to state banks and credit unions so they can give loans, particularly to businesses who are hamstrung by the current national credit crunch. The money will come from a state cash fund that isn't tied up in investments.

In a letter to U.S. House Speaker Nancy Pelosi and Senate Majority Leader Harry Reid, Granholm asks for a stimulus package that will help 80,000 Michigan homeowners avoid foreclosures and that will extend unemployment benefits for an additional 13 weeks.

Granholm said the Michigan-based U.S. auto industry faces dire times, and that it needs at least \$25 billion in federal assistance above the \$25 billion already approved by Congress.

"The auto industry needs a bridge between now and the time this fiscal crisis is resolved nationally in order to survive," she said during a morning news conference. "This is a critical, urgent issue to give them access to a bridge loan that will allow it to transition and to make the investments in their factories and tooling operations to achieve higher fuel efficiency standards that they are seeking to achieve."

Granholm acknowledged antipathy toward U.S. automakers in other parts of the United States, and said she is confident U.S. Rep. John Dingell, D-Dearborn, will fend off a challenge to take his chairmanship of the House Commerce and Energy Committee, where he has been a protector of domestic automakers.

Granholm said a strong domestic auto industry is a matter of national security.

In her letter to Pelosi and Reid, asks them to help avoid "unthinkable layoffs that could devastate the middle class in Michigan and other auto-heavy states."

"It is not an acceptable solution to let this auto industry fail," she told reporters.

Granholm also announced an agenda for the lame-duck Legislature that will begin meeting this month. She said she will issue an executive order to cut the state budget, although she did not say how much, deferring to a pending report by the University of Michigan on the state's economy.

She said she will ask the Legislature to:

- Authorize an expansion of Cobo Convention Center.
- Allow the state to impose a 90-day freeze on home foreclosures to allow homeowners to refinance.
- Allow some low-income cities to create free college tuition programs for students, similar to the privately funded Kalamazoo project that gives free tuition to all eligible graduating high school students in Kalamazoo schools.
- Create a light rail transportation system in Detroit.